

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re: 272 E Santa Clara Grocery, LLC

Case No. 13-53491

**CHAPTER 11
MONTHLY OPERATING REPORT
(SMALL REAL ESTATE/INDIVIDUAL CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 07/31/13

PETITION DATE: 06/27/13

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1


	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure			
a. Current Assets	<u>\$10,629</u>	<u></u>	<u></u>
b. Total Assets	<u>\$7,310,629</u>	<u></u>	<u></u>
c. Current Liabilities	<u>\$0</u>	<u></u>	<u></u>
d. Total Liabilities	<u>\$4,330,514</u>	<u></u>	<u></u>
			<u>Cumulative (Case to Date)</u>
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	
a. Total Receipts	<u>\$6,430</u>	<u></u>	<u>\$0</u>
b. Total Disbursements	<u>\$6,430</u>	<u></u>	<u>\$0</u>
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
d. Cash Balance Beginning of Month	<u>\$0</u>	<u></u>	<u>\$0</u>
e. Cash Balance End of Month (c + d)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
4. Profit/(Loss) from the Statement of Operations	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
5. Account Receivables (Pre and Post Petition)	<u>\$0</u>	<u></u>	<u></u>
6. Post-Petition Liabilities	<u>\$0</u>	<u></u>	<u></u>
7. Past Due Post-Petition Account Payables (over 30 days)	<u>\$0</u>	<u></u>	<u></u>

At the end of this reporting month:

- | | | |
|--|------------|-----------|
| | <u>Yes</u> | <u>No</u> |
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | <u></u> | <u>XX</u> |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | <u></u> | <u>XX</u> |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | <u></u> | <u></u> |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | <u></u> | <u>XX</u> |
| 12. Is the estate insured for replacement cost of assets and for general liability? | <u>XX</u> | <u></u> |
| 13. Are a plan and disclosure statement on file? | <u></u> | <u>XX</u> |
| 14. Was there any post-petition borrowing during this reporting period? | <u></u> | <u>XX</u> |
15. Check if paid: Post-petition taxes ; U.S. Trustee Quarterly Fees X; Check if filing is current for: Post-petition tax reporting and tax returns: None currently due Paid Trustee fee in August
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 8/16/2013


Responsible Individual

BALANCE SHEET
(Small Real Estate/Individual Case)
For the Month Ended 07/31/13

		Check if Exemption Claimed on Schedule C	Market Value
Assets			
Current Assets			
1	Cash and cash equivalents (including bank accts., CDs, etc.)		\$629
2	Accounts receivable (net)		
3	Retainer(s) paid to professionals		\$10,000
4	Other: _____		
5	_____		
6	Total Current Assets		\$10,629
Long Term Assets (Market Value)			
7	Real Property (residential)		
8	Real property (rental or commercial) (Value determined per Sales Contract)		\$7,300,000
9	Furniture, Fixtures, and Equipment		
10	Vehicles		
11	Partnership interests		
12	Interest in corporations		
13	Stocks and bonds		
14	Interests in IRA, Keogh, other retirement plans		
15	Other: _____		
16	_____		
17	Total Long Term Assets		\$7,300,000
18	Total Assets		\$7,310,629
Liabilities			
Post-Petition Liabilities			
Current Liabilities			
19	Post-petition not delinquent (under 30 days)		
20	Post-petition delinquent other than taxes (over 30 days)		
21	Post-petition delinquent taxes		
22	Accrued professional fees		Unknown
23	Other: _____		
24	_____		
25	Total Current Liabilities		\$0
26	Long-Term Post Petition Debt		
27	Total Post-Petition Liabilities		\$0
Pre-Petition Liabilities (allowed amount)			
28	Secured claims (residence)		
29	Secured claims (other)		\$3,570,000
30	Priority unsecured claims		\$0
31	General unsecured claims		\$760,514
32	Total Pre-Petition Liabilities		\$4,330,514
33	Total Liabilities		\$4,330,514
Equity (Deficit)			
34	Total Equity (Deficit)		
35	Total Liabilities and Equity (Deficit)		\$4,330,514

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

SCHEDULES TO THE BALANCE SHEET

Schedule A

Rental Income Information

List the Rental Information Requested Below By Properties (For Rental Properties Only)

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1 Description of Property	<u>272 E Santa Clara St</u>	<u></u>	<u></u>
2 Scheduled Gross Rents	<u>\$39,600</u>	<u></u>	<u></u>
Less:			
3 Vacancy Factor	<u></u>	<u></u>	<u></u>
4 Free Rent Incentives	<u></u>	<u></u>	<u></u>
5 Other Adjustments (collected by Borel)	<u>\$39,600</u>	<u></u>	<u></u>
6 Total Deductions	<u>\$39,600</u>	<u>\$0</u>	<u>\$0</u>
7 Scheduled Net Rents	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
8 Less: Rents Receivable (2)	<u></u>	<u></u>	<u></u>
9 Scheduled Net Rents Collected (2)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(2) To be completed by cash basis reporters only.

Schedule B
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10 Bank	<u>Heritage</u>		
11 Account No.	<u>541006151</u>		
12 Account Purpose	<u>Regular Checking</u>		
13 Balance, End of Month	<u>\$629</u>		
14 Total Funds on Hand for all Accounts	<u>\$629</u>		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended _____**

		<u>Actual Current Month</u>	<u>Cumulative (Case to Date)</u>
Cash Receipts			
1	Rent/Leases Collected	\$0	
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions - Andrew Lewis	\$6,430	
7			
8			
9			
10			
11			
12	Total Cash Receipts	\$6,430	\$0
Cash Disbursements			
13	Selling		
14	Administrative		
15	Capital Expenditures		
16	Principal Payments on Debt		
17	Interest Paid		
	Rent/Lease:		
18	Personal Property		
19	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
20	Salaries		
21	Draws		
22	Commissions/Royalties		
23	Expense Reimbursements		
24	Other		
25	Salaries/Commissions (less employee withholding)		
26	Management Fees		
	Taxes:		
27	Employee Withholding		
28	Employer Payroll Taxes		
29	Real Property Taxes		
30	Other Taxes		
31	Other Cash Outflows:		
32	Trustee Fees (\$325 paid in August)	\$0	
33	Environinental Costs (Paid from Andrew Lewis Acct)	\$6,430	
34			
35			
36			
37	Total Cash Disbursements:	\$6,430	\$0
38	Net Increase (Decrease) in Cash	\$0	\$0
39	Cash Balance, Beginning of Period		
40	Cash Balance, End of Period	\$0	\$0

HERITAGE BANK OF COMMERCE
419 S SAN ANTONIO ROAD
LOS ALTOS, CA 94022-3640

015 00041 01

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ACCOUNT: 541006151 07/31/2013

For Customer Service, call:
800-801-3396 - 24/7 automated service
888-494-4599 - other deposit account inquiries
800-400-2762 - other loan account inquiries

HERITAGE
BANK OF COMMERCE

39 272 E SANTA CLARA GROCERY LLC
DEBTOR IN POSSESSION
CASE NUMBER 13-53491
475 S SAN ANTONIO ROAD
LOS ALTOS CA 94022

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EFFECTIVE AUGUST 5, 2013, THE HERITAGE BANK OF COMMERCE 24/7 AUTOMATED SERVICE TELEPHONE NUMBER ABOVE WILL NO LONGER BE AVAILABLE. TELEPHONE CONTACT CAN BE MADE DIRECTLY TO THE BANK DURING REGULAR BUSINESS HOURS AT EITHER OF THE FOLLOWING NUMBERS:
DEPOSIT INQUIRIES - 888-494-4599
LOAN INQUIRIES - 800-400-2762

BANKRUPTCY CHECKING ACCOUNT 541006151

AVG AVAILABLE BALANCE	628.86	LAST STATEMENT 07/15/13	.00
		1 CREDITS	628.86
		DEBITS	.00
		THIS STATEMENT 07/31/13	628.86

DESCRIPTION	OTHER CREDITS	DATE	AMOUNT
TRANSFER FROM OLD A/C XXXXX5203		07/15	628.86

ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES

*		TOTAL FOR	TOTAL *
*		THIS PERIOD	YEAR TO DATE *

* TOTAL OVERDRAFT FEES:		\$.00	\$.00 *

* TOTAL RETURNED ITEM FEES:		\$.00	\$.00 *

DAILY BALANCE	
DATE.....	BALANCE
07/15	628.86

HERITAGE BANK OF COMMERCE
419 S SAN ANTONIO ROAD
LOS ALTOS, CA 94022-3640

For Customer Service, call:
800-801-3396 - 24/7 automated service
888-494-4599 - other deposit account inquiries
800-400-2762 - other loan account inquiries

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ACCOUNT:

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HERITAGE BANK OF COMMERCE

4030

272 E SANTA CLARA GROCERY LLC
475 S SAN ANTONIO ROAD
LOS ALTOS CA 94022

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* * * F I N A L S T A T E M E N T * * *

EFFECTIVE AUGUST 5, 2013, THE HERITAGE BANK OF COMMERCE 24/7 AUTOMATED SERVICE TELEPHONE NUMBER ABOVE WILL NO LONGER BE AVAILABLE. TELEPHONE CONTACT CAN BE MADE DIRECTLY TO THE BANK DURING REGULAR BUSINESS HOURS AT EITHER OF THE FOLLOWING NUMBERS:
DEPOSIT INQUIRIES - 888-494-4599
LOAN INQUIRIES - 800-400-2762

BUSINESS CHECKING ACCOUNT 541005203

LAST STATEMENT 06/28/13 8,128.86
CREDITS .00
2 DEBITS 8,128.86
THIS STATEMENT 07/31/13 .00

CHECK #..DATE.....AMOUNT CHECK #..DATE.....AMOUNT CHECK #..DATE.....AMOUNT
1037 07/01 7,500.00

DESCRIPTION DATE AMOUNT
TRANSFER TO NEW A/C XXXXX6151 07/15 628.86

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

*		TOTAL FOR	TOTAL *
*		THIS PERIOD	YEAR TO DATE *

* TOTAL OVERDRAFT FEES:		\$.00	\$.00 *

* TOTAL RETURNED ITEM FEES:		\$.00	\$.00 *

* * * C O N T I N U E D * * *